



Risk Management Advisor

Office of Insurance Management
Summer 2002

Idaho Department of Administration
Vol. III, No. 1

"Providing Effective Risk Management Services and Resources for Idaho Citizens"

Cell Phone Liability

Lori Autio, Risk Management Loss Control Specialist



The use of a cell phone is becoming more and more prevalent for personal and company business these days. Businesses that issue cell phones to their employees often encourage or expect employees to use their cell phone when they are out of the office to contact clients, keep in touch with the central office, or for conducting other company business.

As an employee, a cell phone can help us to be more productive and efficient throughout the day. The automobile is often the most logical place to make cell phone calls as we drive from one meeting to another. And, we all have probably been made aware of the distractions that can occur while driving and talking on a cell phone. (See The Risk Management Advisor, Summer 2000, Vol. II, No. 8 "Cell Phones and Driving Safety" for additional information on distractions while using a cell phone.). Not only can a cell phone create

distractions while driving vehicles on a personal basis, the courts are also beginning to hold employers liable for the actions of their employees while they are using cell phones.

In two recent lawsuits involving automobile accidents and cell phones, the **employers**, not the driver, were held responsible for the accident. They found that the employee was acting in the course and scope of employment, as the employer expected and encouraged the use of a cell phone by their employee. The jurors awarded \$21 million in one case and \$20.9 million in the other. In a similar case, a judge has allowed a \$30 million dollar wrongful death lawsuit to proceed against a Company. An employee accidentally struck and killed a 15-year old girl while driving her car

and, allegedly, was conducting business on a hand held cell phone.

Continued on page 3

"The courts are beginning to hold employers liable for the actions of their employees while they are using cell phones."

In This Issue

"Cell Phone Liability" page 1

"The Hazards of Static Electricity and Fueling" page 1

"Rental Car Coverage" page 2

"Rolling Along - Tire Tips from OIM" page 3

"Risk Management Advisor Online" page 4

The Hazards of Static Electricity and Fueling

Lori Autio, Risk Management Loss Control Specialist

There have been several articles in the national and local news reporting flash fires at fuel pump stations recently. Many believe these incidents have been as a direct result of static electricity build-up. The Department of Administration has an employee whose son found out the hard way what mixing Static Electricity and Fuel can do. Fortunately he survived, without serious injury, the 9 foot fireball that occurred when the gasoline ignited, but the gutters above the garage where he was transferring fuel from one container to another did not. Based on all reports he is a very lucky boy.

The National Fire Protection Act (NFPA) has

specific code regulations and requirements that are required when working with large amounts of fuel and storage tanks to reduce Static Electricity. If you have such a situation, please refer to the Idaho State Fire Marshal for specific state or federal requirements. However, these regulations do not necessarily address the small containers most of us use regularly. To minimize the danger when filling a portable container with gasoline:

- Turn off your vehicle engine.
- Extinguish smoking materials. (cigarettes, pipes, etc.)

Continued on page 4

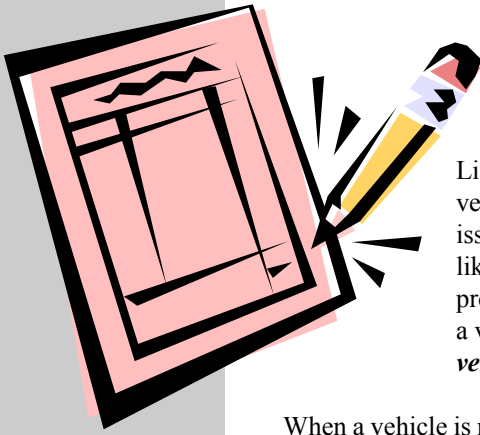


Summer Issue



Rental Car Coverage

Joan Compton, Risk Management Insurance Analyst
Kit Coffin, Claims/Loss Control Operations Supervisor



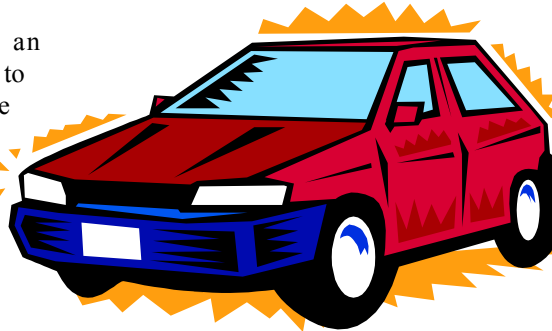
Liability coverage for rental vehicles will be discussed in a future issue, but in this article, we would like to focus on the most frequent problem encountered when renting a vehicle—*damage to the rental vehicle*.

When a vehicle is rented from a car rental company, the renter is required to assume responsibility for damage to the vehicle during the rental period, *whether or not he caused the damage*. Costly “collision damage waiver” or “loss damage waiver” coverage is available for purchase at the rental counter. The charges for these on a daily basis can be as much as half the rate for the vehicle itself.

How can these charges be avoided when an employee is renting a car for State business? Rental car coverage is the answer.

Rental Car Coverage is an automatic additional benefit to State agencies that participate in our Automobile Physical Damage Coverage. It affords physical damage coverage for temporary rental cars. Agencies that do not own or lease vehicles, but do occasionally rent a vehicle, may obtain this optional coverage for a minimal premium.

When an employee whose agency has the coverage rents a car for State business, the employee should decline the collision or loss damage waiver in the rental agreement. (However, if you are traveling outside the country, it is recommended that rental



Tips before you rent a vehicle for State Business:

- Check with your agency to be sure it has Rental Car Coverage
- Decline the CDW/LDW (unless outside the US)
- Inspect the vehicle before accepting it for rental

insurance be purchased.) The employee should carefully inspect a vehicle before accepting it to ensure that there is no pre-existing damage. If damage is found, it should be brought to the attention of the rental company and noted on the rental form before proceeding.

Although the vehicle belongs to the rental company rather than to the State, it is provided physical damage coverage as if the vehicle were owned by the State agency.

In the event of a loss, the agency would be responsible for the first \$500, its deductible amount.

If there is damage to the vehicle during the rental period, the employee renting it should complete a report and advise his agency immediately. The agency should notify the Office of Insurance Management as soon as possible.

A rental car company will look first to the person who rented the vehicle to address its loss; so, it is important that the renter gets the ball rolling with prompt reporting. The rental car company will also charge various fees in addition to the damage, and quick intervention by OIM can help minimize the amount of the claim.

Tips in case of a rental car loss when rented for State Business:

- Advise supervisor and OIM
- Complete report of incident to forward to agency and OIM
- Advise Rental Car Company that OIM will be the contact

If there is damage to the vehicle during the rental period, the employee renting it should complete a report and advise his agency immediately.

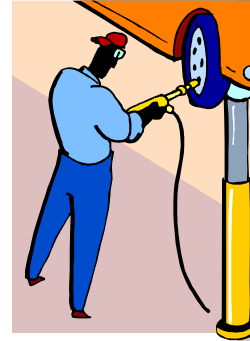
Keep Rolling Along-Tire Tips from OIM

The advent of summer means that more people than ever will be on the road for business and for pleasure. Proper tire care is an important aspect of safety that should not be overlooked. It can be simple and easy. A monthly inspection of the tires, including the spare, will only take about five minutes, and can make a difference.

- ✓ **Check tire pressure.** The owner's manual will advise the proper pressure for the tires on your specific vehicle. Keep a gauge in the car, or use the one on the air hose at the service station. Under-inflation of tires can cause stress on the tires, poor wear, loss of control, and accidents. A tire can lose a lot of its air pressure and still look normal. So, be sure to use the gauge, not the eye, to test.
- ✓ **Check the tread.** Where the rubber meets the road is crucial for control and safety, particularly in difficult conditions. Visually inspect for uneven wear, cupping, or smooth areas. Look for any damage such as cuts or worn places.

Routine maintenance will also contribute to longer life for the tires and greater safety for you.

- ✓ **Rotate the tires and balance the wheels.** This will give more uniform wear over time, and enhance the traction. The owner's manual will suggest the correct interval for rotating the tires. (This is also a good time to have the brakes inspected.)
- ✓ **Check the alignment.** If the car is pulling or shaking, it may be out of alignment.
- ✓ Hitting a curb or a pothole can be enough to cause tire damage or to put the car out of alignment. Even if there are no apparent problems it is a good idea to have the alignment checked when your car is in for its regular service.



If you detect a problem, or are unsure of the condition of the tires, you should contact your service facility or tire dealer as soon as possible.

Implementing these preventative measures should save time and increase security over the long term.

Cell Phone Liability

Continued from page 1

In-light of these recent rulings, it is suggested that each State of Idaho Agency review their existing Cell Phone Use Policy to assure it is up to date and reflects the agencies emphasis for safe usage. Providing each employee with a copy of the policy and some training in your agency's expectations regarding cell phone use is also a major component in assuring cell phones are used safely by employees.



If employees must use a cell phone while driving, it is recommended that a hands-free device be used. A number of hands-free cell phone accessories are readily available today. Whether you choose an installed mounted device for

your cell phone or a speakerphone accessory, take advantage of these devices and ask employees to follow these simple practices:

- **Get to know your cell phone and its features such as speed dial and redial.**
- **Position your cell phone within easy reach.**
- **Suspend conversations during hazardous driving conditions or situations.**
- **Do not take notes or look up phone numbers while driving.**
- **Actively compensate for the potential distraction created by cell phone use.**
- **Plan your calls.**
- **Do not engage in stressful or emotional conversations that may be distracting.**

Safe driving requires alertness, caution and courtesy. Safe driving also requires obeying all traffic signs and signals and staying within the speed limit. It also requires using seat belts whenever the vehicle is in motion. And finally, safe driving requires a dose of common sense — keep your head up, keep your eyes on the road, check your mirrors frequently and watch out for other drivers.

If you would like more information relating to cell phone use or additional training methods, please feel free to contact the Office of Insurance Management, Department of Administration.

In two recent lawsuits involving automobile accidents and cell phones the **employers**, not the driver, were held responsible for the accident.

**For Questions About
Any of These Articles**

Lori Autio

Risk Management Loss
Control
Specialist
208/332-1867
lautio@adm.state.id.us

Kit Coffin

Claims/Loss Control
Operations
Supervisor
208/332-1871
kcoffin@adm.state.id.us

Joan Compton

Risk Management
Insurance Analyst
208/332-1872
jcompton@adm.state.id.us

*"Risk Management
Advisor" is published
periodically in Boise, ID
by the State of Idaho
Office of Insurance
Management Staff. Every
effort is made to ensure
the accuracy of the
information published;
opinions are those of
authors, editors, and
others. If you have any
comments or suggestions,
please contact us at
208/332-1860 or
rm@adm.state.id.us*

State of Idaho
Dept. of Administration,
Office of Insurance
Management
650 W State St.
P.O. Box 83720
Boise, ID 83720-0079
Tel: 208/332-1860
Fax: 208/334-5315

Cynthia Ness,
Manager

Kit Coffin,
Claims/Loss Control
Operations Supervisor

Carol Pettibon,
Claims Adjudicator

Ray Heidt,
Claims Adjudicator

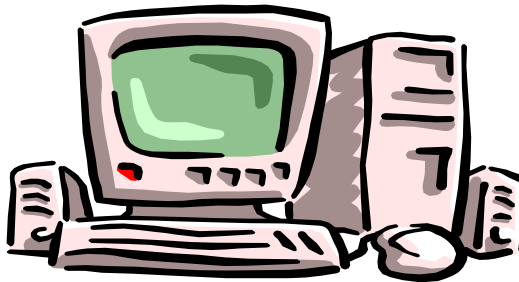
Lori Autio,
Loss Control Specialist

Cindy Dickinson
Contracts/Administration
Operations Supervisor

Joan Compton,
Insurance Analyst

Risk Management Advisor Online

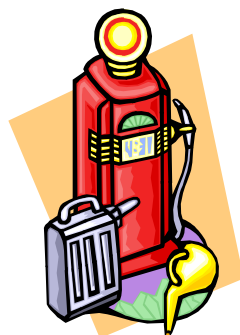
The *Risk Management Advisor* is published online. Current and previous issues can be found on the Web through Access Idaho at http://www2.state.id.us/adm/insurance/risk_index.htm



The Hazards of Static Electricity and Fueling

Continued from Page 1

- **Remove the container from the vehicle and place it firmly on the ground, a safe distance from the vehicle.**
- **Keep the nozzle in contact with the container at the inlet during fuel transfer.**
- **Use only an approved container.**
- **Never lock the nozzle trigger in the open position.**
- **And do not fill the container more than 95% full.**



Even when fueling your automobile, static electricity can be a serious danger. A recent flash fire at a gas station occurred when a patron filling a fuel tank in his vehicle placed the nozzle in the tank, left the nozzle running while he slid back into the vehicle to retrieve something. As he slid across the cloth seat of his vehicle, static electricity accumulated in his body. He then got out of his vehicle to put the

fuel nozzle away. When he touched the nozzle, the gasoline fumes ignited creating a huge explosion.

When fueling your automobile, minimize the possibility of a static charge igniting the gasoline fumes by following these simple rules:

- **Turn off your vehicle engine.**
- **Extinguish smoking materials. (cigarettes, pipes, etc)**
- **Never leave the nozzle trigger unattended.**
- **Keep your hand on the nozzle from the time you place it in your vehicle's tank until you are finished refueling.**
- **Place the nozzle trigger back into the pump holder before closing the tank cap.**

Remember: Gasoline is Dangerous.

It is extremely flammable and ignites easily and burns vigorously. Vapors can explode. Always use common sense and don't take chances with static electricity while fueling.